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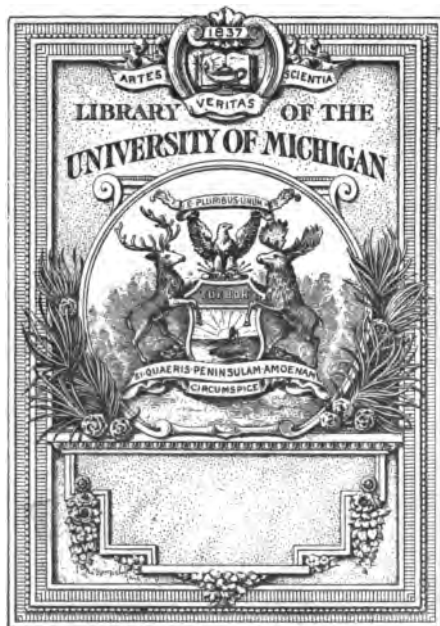
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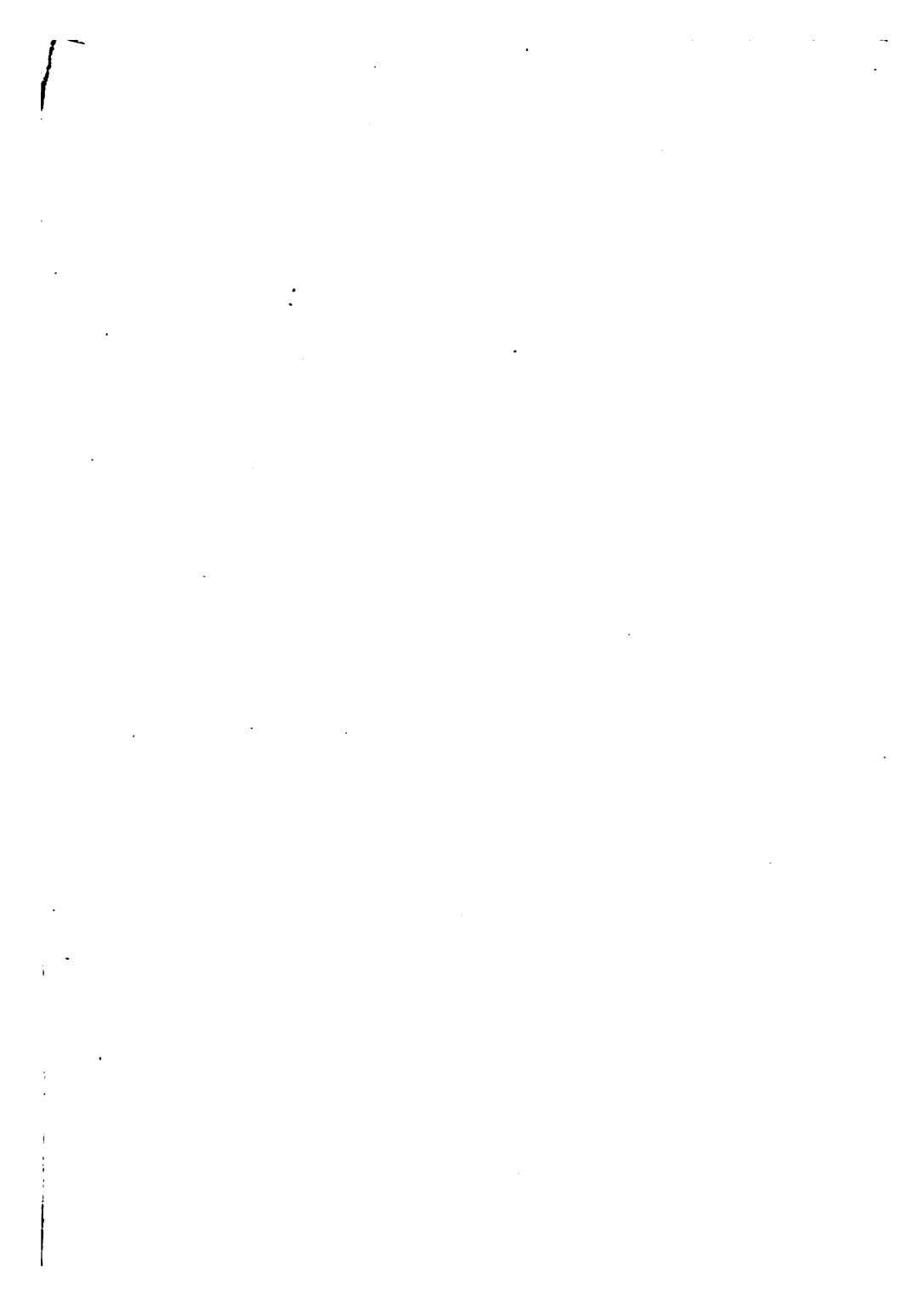
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CONFESSIONS OF AN INDUSTRIAL INSURANCE AGENT

A Narrative of Fact

BY

WILBY HEARD

Author of "Anvil Sparks," etc.



BROADWAY PUBLISHING CO.

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FOREWORD.

It was not in answer to the wail of a disappointed publisher that the muck-raker dashed out upon the battlefield of commerce and began to lay about him, right and left, the staggering blows which caused the corrupted money-grabbers to cower and whine. But rather was it in defence of the silent plea from a public much abused; a people in dire need of a true champion. But the field is vast, and this being an age of specialties, every trade must have a muck-raker of its own.

Fraud and cheat abhor the light. Truth loves the sunbeams. The real work of the muck-raker was, and still is, to uncover the hidden schemes of the men of business, the men who take and spend the people's earnings, and lay these schemes in their reality before the public eye. If they do not tremble and shrink, they are what they should be; if they do, then it is high time for a cure.

There are, however, certain corporations whose methods are positively beyond all redemption. And what these corporations need is muck-rakers; muck-rakers with pens mightier than swords. And it is the duty of all those who know of corruption, wherever it may exist, to rise and expose it to the utmost of their ability.

Industrial insurance is an institution, which like a gigantic leech, sucks the meagre earnings of the laboring class, returning for all it takes a paltry bit, when the payer is no more. Its methods are as heartless as the frosts at the poles; and as crushing as the hand of death.

Insurance may be a necessity under our present form of government, but that it would still prove a profit pay-

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ing business at a much lower charge of premium; and that the methods of obtaining business could be vastly bettered is undeniable. And I believe that if the public could be brought to realize how heavily it is being taxed for a want which the companies have taught it to believe great, if it could be stirred to protest, if it could be made to understand how it is being duped and forced to insure for far more than it needs, or is able to pay, it would cause the companies to so rearrange industrial insurance that it would at least be no worse than other profit paying concerns of to-day. And it is my sincere hope that this little book will prove a wedge toward that end. If it does no more than start the right discussion among those men who are able to do things, discussions which will bear worthy results, I feel that its publication is justified; and that its mission is fulfilled.

THE AUTHOR.

March 11, 1911.

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PART I.

To delve as deep into the soul of industrial insurance as I would be pleased to, would be like a trip thru the Cretan Labyrinth without the thread of Theseus. Industrial insurance is a subject of vast importance to the great army of wage-workers, for it is they who are plucked for its enormous profits. It is their money which erects towers with "lights that never fail." It is their money that boosts "Calpe," England's Rock of Gibraltar, which according to a storiette printed in a John Hancock booklet, is slowly and continuously crumbling away. I will not attempt the impossible—to reveal all the crooked methods of this mighty corporation. Nor do I suppose I know half of them. I shall content myself with giving just a few of those I do know, enough, I hope, to start the public a-thinking.

I have tried my hand at several positions and may state with safety that I know of no employment which will give a man of little, or no education—the man without a trade—a better way of obtaining an average livelihood than the industrial insurance game to-day.

Personally, I have had about eight years of experience among the industrial insurance field-force. I have been agent, debit-canvasser, and assistant manager, and, therefore, need not use a single hearsay statement.

It requires no such thing as honesty, thoughtfulness or skill, mental or physical, but the two necessary, yes,

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(perhaps, only important factors required in this trade (if I may name it so) are what I would call cheeky shrewdness and inexhaustible wind. It makes little difference what one says so long as he has the audacity to keep his bellows in motion until the only two channels of escape for the one acted upon is to either insure or to tell the agent to go, for should the victim pay no heed to his remarks the successful agent is so developed that he surpasses her in the art of paying no attention, or else does not know enough to feel hurt at the compelled insult! The latter case is the far more frequent.

Those of the latter species will many times continue their torture till the meal hour and then return again in the evening to make what is known as a "night call." An insurance agent cannot be a union man, and he knows no union hours. He is out day and night, including Sundays and holidays. His job is about the only one which compares to woman's work; it may be said of him: "*Man's* work is from sun to sun, but an agent's work is never done." The reason the agent left at noon was because the superintendent so ordered. The "super," as he is called by the agents, obtained his knowledge from some still higher superior and so on.

If the insurance collector could tell all he sees on his weekly rounds, it would make a story that would wring tears from stones, and draw sighs from the tiger's breast. And all I can hope to do is give mere glimpses; just hint of the ins and outs of the affair. I will do my best, in as few words as possible, to show all sides of this scheme, which is a many-sided creature of fiction; a child born from the womb of graft and nurtured on the milk of uncertainty.

The whole thing consists of a "Home Office" in some state, whose chief duties are the gathering of the money collected by the agents, the continual search of cutting down expenses, and the raising of profits.

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The presidents and other "home" officers dictate to the supers of the branch offices; these, in turn, command the assistants, who are forced to drive the agents.

The Home Office, or H. O., as it calls itself, represents a bottomless sea of greed whose shores are lined with the sands of pelf. The H. O. officials are monsters whose only food is dollars; the H. O. knows but a few words, the chief one is "increase," which means new insurance on the part of its agents. The more they get the more is required of them; there is no such thing as enough. For no matter how good a man's record of the past may be, should he fail to pile up more increase for two months or so, no matter what the reasons for his failure are, he will be replaced without the least show of consideration. An insurance agent is valued on a par with a shoe, the company gets all the wear it can out of him, and then he suddenly finds himself on the human dump-heap. He is treated as is the lemon by the squeezer.

We will now take a few peeps into the agents' sphere and there will glimmer through enough rays to give us our required information as to the H. O. and its officials.

Mr. D. applies at a branch office for a position. After waiting with throbbing heart and anxious face for an hour, oftentimes more, for the super, he at last, is rewarded by the information of (his high-ness) the super that no agent is needed just then; no blank refusal, remember, for it may be at a time when two or three men are needed, but the answer is given to test the applicant, for the man that will take no for an answer is not fit for the insurance business; for that would mean he is still fool enough to take a person of our present day at his word. The insurance business of to-day demands creatures of bronze, not flesh; hearts that throb at the mention of increase but recognize little in honesty; brains that scheme, but seldom think. Of course, there are honest, sound thinking men in the insurance (I'm out

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of it at present), as well as in many other modern games, but few, very few, it can stand repeating, ever mount the ladder of success that the H. O. holds out as bait. Nor does the super worry that if D. does not return, he will be unable to get a man; I mean an agent. The labor market is ever overcrowded. After a moment's thought he tells D. to call again, which, no doubt, he does, and is again told, "no vacancy at present," but if D. insists, he is told to make out an application, that consists of a pedigree sheet asking for the place of birth, date, age, nationality, how many languages can be spoken beside English, height, weight, color of eyes and hair, birth marks, if any, or scars; whether married or single, also whether there are any physical defects, such as lameness, or stammering of speech. Of late years the Metropolitan demands a certificate from their own physician. The applicant must also furnish the place or places of employment for the last five years, and reasons for leaving same.

All being properly complied with, D. is told, in the John Hancock, that he must get \$100 in cash as security. The Metropolitan takes a bond for \$500, for which it charges five dollars per year. The Prudential requires neither cash nor bond, but it employs inspectors which dig down to the very bottom of the applicant's past, stopping at nothing to get the man's slightest misstep. And if ever the applicant committed the crime of not serving some fop of a boss some time within the stated past, according to that fop's taste, regardless of what his taste may have been, the applicant might as well not waste time in making out the bill of sale, for the lackeys of the "Pru" serve it well.

All companies are true to the Bible request, every sacrifice must be pure, without a blemish, else the offering suits not the God of Mammon.

If all went well, D. gets a debit and is given his number, for all agents of insurance are known by the num-

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bers they keep and not their companions. Debit means a book containing the names and addresses of a certain number of people already insured in that company, whose premiums must be collected. The premiums of a debit amount to from fifty to a hundred dollars, to be collected every week.

The agent is supposed to collect his full debit every week; and if he falls below one week is expected to go above the next. The parties who have not their premiums paid to date are called "in arrears"; those paid in advance are called "in advance." Some do keep premiums in advance; a greater number, however, keep them in arrears.

For collecting the debit the agent receives fifteen per cent. Insurance men work on commission only. Before 1907—the Hughes investigation—the John Hancock paid twenty per cent. on most of its business.

Every agent is kept on record and the way he handles his debit is always watched in the office, and, in insurance, like in every other position where the employee is a go-between 'twixt the employer and the public, he may well be likened to a sandwich, for he is pressed hard from both sides. In the present game he is supposed to treat the policy holders with silk gloves, be a perfect gentleman; yet he is reminded almost every week that his job depends on compelling the policy holders to pay up. "Arrears must go down; advances come up" is the super's untiring cry. A rule, supposed to be strictly lived up to, is, "Keep nothing on your books that is more than four weeks back"; yet for every ten cents an agent lapses he loses fifteen times the amount. That is, for every ten cents the agent lapses off his book, the company deducts \$1.50 from his salary.

The John Hancock, the only industrial company which makes any attempt at all at treating its agents in a decent manner, deducts but five times for lapses. The Hughes

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"shake-up" was, however, too good a thing not to take some advantage of, so they reduced the commission. When the reduction was announced, about two hundred agents in Greater New York, met to organize and resist the cut which meant from two to four dollars a week per agent. Each branch office had one or more spies at the meetings, who reported all the agents present, and in less than two months each and every one of these "criminals" were dismissed for some reason or other, regardless of how good a record they may have had. Moreover, they were—no, I won't say blacklisted—but just so attended to that they could not even get a position with any of the other industrial companies. And now, any one of these free American citizens who chanced to be at one of those meetings has more chance of going to Heaven for committing murder than he has to get a job with any of these well-known "Three."

Now, to return to the agent and his book. When an agent gets a debit of say eighty dollars his position depends on increasing its amount, besides all lapses which are counted against him whether he insured those who lapse after he takes charge of the book or not. Should that eighty dollar debit drop to \$79 by the end of a year, the collector would be one dollar in decrease, should it be \$85 he would be five dollars in increase. Some, the hustlers, who sell policies on gab, they who later become promoted, go far above five dollars a year, and they who tell part of the truth (no agent dare tell all the truth), as a rule, fall below and are most times given an opportunity to seek a new job.

Industrial insurance is the so-called "protection" paid for on the instalment basis, that is, so much every week while the breath remains in the body. And ranges from about ten dollars to seven hundred at a weekly premium of from five to seventy-five cents. The ages are two to seventy years next birthday.

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The industrial insurance is almost without exception a case of "must die to win" and should a worker (99 per cent. of the weekly payers are among the laborers) happen to live an almost natural life, in the number of years, he or she is bound to lose. For instance, take a person at the age of thirty, who will pay five cents a week as long as that person lives, to leave to the family the enormous sum of \$67. That is the largest sum given for 5 cents. Take 52 weeks a year at 5 cents a week makes \$2.60; when the applicant reaches the age of fifty-five he has paid in all he can get. But during that time he has received some dividends amounting to about \$4; so he must die before the age of fifty-seven not to lose, while a person of seventy must die within five years or go on throwing out his nickels to swell the company's profits. And many an aged person feels that his or her death is looked forward to as the end of a profitless expenditure.

The honest agent finds himself like the Jews at the River Jordan; the super behind him with the past as a scourge, and fakers, that is, the "good agents" who have drummed up a big increase through lies and misrepresentations, whose increases are held up as models, labelled "Go thou and do likewise" (or resign), on one hand; on the other hand, sits starvation grinning at him. His one course is either to plunge into the sea, drown his conscience, then fish for suckers, or starve. Few do the latter, for the suckers are abundant.

Among the policy holders one witnesses many heart-rending scenes, such as a washerwoman with five or six children, all too small for work, the husband possibly out of work; the only income that of the wash, yet her insurance amounts to \$1.50. She carries some on her husband, some on herself, and some on all the children. She wouldn't give up the husband's, for fear he might die, or get killed; wouldn't dare give up her own for fear if she should, her husband would drop his, and she

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must keep the children's; in case one died it must have at least a decent burial. She also carries some on her old father, and some on a brother whom she has not heard from for over seven years but hates to give it up after paying in so much. The unscrupulous agents bleed the poor washerwoman to death. I have known families paying as much as \$4.00 a week, and their entire weekly income did not go above \$18.00. They were simply forced into it by their agents, who in turn were driven to it by the company.

Some policy holders pay big premiums, because when they insured many years ago they were well to do, and now, though they starve, they keep the insurance. Some were told they have policies on which they will get their money back after five or ten years; and after paying that length of time, discovered they must die to win, but they still continue, so as not to lose all they have paid in. Others threaten to throw up their insurance every week, but are kept from doing so by the agent's pleas, mythical promises, or woful tales about those who did give up their insurance.

If a party decides to give up the insurance, the agent makes a lot of new promises, truthlessly and ruthlessly; should he fail in his lot, the assistant superintendent comes and repeats the promises. If that fails he gives the policy holder a new lot equal if not surpassing the first; and so on. (The policies are generally taken out by women, who are easy victims, owing mostly to their lack of worldly knowledge. Many of these families have the agents call when the husband is not home, as he is against her carrying insurance, and would destroy the policies should he find it out.) Some insured to help a friend along and were induced to continue.

All companies change the outer form, such as the ink or the border of their policies every now and then, seldom, if ever, making them any better for the holder. The

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"good" agents grasp these opportunities and make fine use of them.

From experience the companies have found that if out of all the new business written fifty per cent. stays on the books for one year or over it is a good percentage. They have also found that business added to old policy holders stands far greater chances of remaining in force than insurance written in families to whom the company is new. It is a fact, that in the majority of cases a woman paying seventy-five cents, a dollar, or a dollar and a half per week will, even if another fifteen or twenty-five cents be piled on to the load she already bears, go on paying the added amount with little or no more complaint. And because of this very fact all companies use their assistant superintendents to special the debits. That means the assistant goes out with an agent and in order to force up the premiums tells the policy holder greater fabrications than any inexperienced agent would dare to; and because of the fact that the assistant is an officer of the company the victims prove much more gullible and not only swallow all his fiction open-mouthed, but too often fall a prey to his inventions and increase their payments as he wishes.

The Prudential, with its soul of Gibraltar, well aware of this, created and still continues a "special" position with the title of "Debit-Canvasser." The gentlemen practicing this game are all slick-tongued individuals, sent out upon the debits, by the company, to increase the premiums of those already insured with the "Pru." And what the vast majority of these tell the poor people, that is the opposite of the truth, would fill many a tome.

All companies believe that "honesty is the best policy"—but not for them. They praise the honest agents (sometimes); but always promote the other kind, and often discharge the former.

For every new policy holder an agent brings in, he re-

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ceives fifteen times the premium, i. e., for every ten cents he gets \$1.50. But, suppose an agent writes fifty cents of new business in one week, and also has a lapse of fifty cents for that week, even though the lapse was written by some agent years ago, the agent on whose book that business now lapses will not get paid for the business he just wrote. This little game of, "Now you get paid, but you really don't get paid for what you do," is perpetrated with the intention of compelling the agent to always write more business than he lapses. But should an agent let a premium run for more than the grace period and then lapse it he must himself pay the premium. For instance, Mrs. Smith pays one dollar a week and the agent lets it run five weeks before lapsing it. He must and will pay the company one dollar of his own money. In short, no matter what should happen the company is the only gainer; the policy holder the only loser; yet as long as we live in an age of speculation, as long as the wage slave exists on starvation pay, as long as men will be compelled to prostitute their honor, and as long as reward and promotion are offered those capable of lying most, so long must this graft continue.

Here is another important factor, a point that not one person in a thousand ever figured out. A point that Governor Hughes in all his insurance wisdom never mentioned. I wonder why? There are in every year fifty-two weeks and one day; leap years have fifty-two weeks and two days. Thus in about every six years the companies are just one week ahead—that is in comparison with the thousand dollar policies, which are paid annually, semi-annually, or quarterly. A week may not seem much at first sight, but just note this: There are in Greater New York alone about sixty industrial offices, not counting the Colonial; each of these offices has an average of fifty men, each man controls a debit of say ninety dollars, which give the three companies combined a total of

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\$270,000, or \$45,000 every year. This is what the companies gain annually by the mere operation of the calendar. This fact alone if brought home to the victims of industrial insurance ought to deliver a blow to the grafters that would remind them of a Kansas cyclone with no cellar in sight.

Governor Hughes has also aided in bettering insurance conditions—for the companies. For it was through his kind investigation that it has been made a law not to give the agents a higher commission than what they receive since the reduction. The Metropolitan and Prudential were in the habit of throwing the dog a bone, so to speak, in the form of bonuses to the agents, who rounded up an extraordinary amount of Simple Simons within a given time. Now this is against the law, not the faking of the agents, or the policy holders, but the company's giving bonuses to the men who do the work. The gentleman who would not allow a reduction of the fare to Coney Island for fear it might touch the B. R. T.'s profits and who knows absolutely nothing about the insurance from the agent's point of view, at least, did not hesitate to slash the agents' commissions and stop all bonuses and rewards. But full well he knows that the faking and crooked work of the incorporated blood-suckers still go on.

A sublime elixir which changes a contemptible deal into easy money, is lapses. Lapses are hundred per cent profit. And, therefore, it is to the company's benefit to keep on loading the poor with insurance, till at some time, an added policy will prove the last straw. The whole insurance is lapsed, and the money remains with the H. O. And usually this happens when there is sickness in the family.

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PART II.

As with the drinking horn of Thor, so with the insurance—the more you attempt to drain dry its graft, the fuller does it seem. In one of my previous statements, I said the policy holder was the only loser. I should have included the agent. It is a well known fact among the latter that every agent has a loss of from a dollar up, every week. This mode of graft is known as “excess,” and is the penalty for keeping a policy holder more than four weeks in arrears.

Here is the why. The agent's position, depending on his bringing in a certain amount of new business, or “increase,” he is only too glad to fill out applications, no matter how small his faith be as to the applicant keeping it up.

Every now and then the companies have what they call “special weeks.” That is, the agent must try to beat his previous record, and so he is told by his assistant superintendent that he must not give in any lapses that week, and must be sure to bring in at least a dollar's worth of new business, no excuses taken. Often the superintendent demands each agent to pledge himself for certain amounts. If an agent's average increase per week shows fifteen cents, he is made to promise a dollar, and so on. The superintendent well knows that to do so the agent must bring in “fake” business, but he knows that if mud be thrown at a board fence some doubtless will stick; and this is his aim—to make at least some business stick. For no matter how little it is, he still will be the gainer. And on fake policies the company carries no risk whatever, but it does receive several premiums,

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from the agents' money, which, during the year, may average up to several thousands of dollars.

These special occasions arise either because some Home Office official is to honor them with a visit, or one of them has a birthday, or the superintendent's birthday has come, or he has served a certain length of time with the company, or maybe he has been beaten by some rival branch office or laughed at by some other superintendent over the 'phone, or possibly simply because he had a funny dream. Anything and everything is enough to bring on a "special week." And especially is this so with the Prudential.

The agents are all informed a day or two in advance about the great affair. They must all be present at a given hour, as the superintendent is to speak. They come and he is sure to be late, thus giving the agents time to don a respectful air. At last the private office door opens, and behold the conquering hero comes. All hats leave their owners' respective heads. He enters, proud as a peacock, takes his stand, and calls the roll by numbers, not names. The ones absent are always referred to with ridicule, at which the ignorant slaves present are sure to laugh, be there sense in the statement or not.

The following might prove a fair example of the superintendent's address. I will condense it and put it in intelligible language, as grammar is a useless article in the insurance game, and few superintendents know what it means.

After clearing the throat and trying to look wise as an owl, he spouts forth:

"Gentlemen—No doubt you already know the object of this meeting. I did not have you gather here just to deliver a flowery speech. I am not a speaker, but next Saturday we are to have with us the well-known Muck A. Muck (applause), whom we all know to be a great friend of the agents. (Great applause, and the super smiles.) Gentlemen, I am glad to see such eager faces. It shows

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me that I have a staff to be depended on. Now, remember, we must have a record-breaking week, a week to go down in the history of insurance, a week that we can look back on with pride, and I want every man to stand by me. (Great applause.) He who will not outclass himself, him I will consider an enemy to this office, and the sooner he looks for a new position the better.

"Gentlemen, never was there a better field and a nicer policy than you have at present. There is no reason why an agent should not sell at least one in every family. The people want insurance. They need protection, and you want to know there is no more liberal company than the one you represent."

And every super of every company says the same thing. "Let every man start right now, just as soon as he leaves this office. See your friends, and talk insurance to everybody. Don't waste a moment. Don't hang around the house in the evenings. Evenings is when you can see the men. Hustle. That means success. I remember when I was an agent. I had no time nor thought for anything else than my company and filling out applications. (Again applause.) I wished for opportunities, and I found them. Gentlemen, writing insurance is like picking-up money.

"There is business to be written and I must have it. I will not mention names, but in another month I will discharge about ten men whom I know are not loyal to this staff.

"Gentlemen, I do not wish to detain you from business any longer. I feel you will not desert me now. No. 25, what do you pledge for this week?"

No. 25 gets up and makes an offer.

"No, that won't do. Double it, double it. If you half try you can do it. What, you'll do your best? That's no answer. I'll put you down for a dollar fifty. No. 30, and you?"

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So it goes, till all are pledged and the super dishes out his closing remarks, again reminding them they must work, bring in no lapses, and that the new business must all be good, knowing full well at the time that every agent knows that he knows he fakes, and that more than two-thirds of the new business must also be fake.

The result is the agent insures any one and any thing, paying on the fake insurance from his own pocket just so as to have his allotment. He is afraid to lapse right after the special week, so he carries it awhile longer, thus paying back to the company part of the money he earned as commission for collections. And the home office swindlers know this and laugh in their sleeves. The policies he should have lapsed on the special week he has also carried over, and this money of his own that he pays back is called excess.

Another sad feature is when a death occurs and the claim is about to be paid. After a string of red tape, reaching from the home office to the grave of the deceased, has been unrolled and rolled up again several times, the assistant super, as he takes out the check (oft-times it is even before the funeral) cold-bloodedly asks for another insurance to replace the death. I have often known the afflicted family to feel pained and insulted. But the custom is followed out by all companies, for it is well known that at such times people are in a more receptive mood and that when the beneficiary is receiving money he or she does not feel like refusing the small premium of a ten or fifteen-cent policy. Often agents are heard lamenting because no death occurs on their debits. Many times the assistant super or agent gets what we might term a rake-off; that is, a part of the money received on the policy.

So far have the agents been driven and pressed that it is not unusual for the rough class to induce people to drop insurance they have kept up for years with other

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agents, and then reinsure them so as to get new insurance.

The industrial insurance policies, till 1907, when one company was caught with several millions of dollars more than it could account for, had a clause in them that in case of death of party insured before three months from date of policy, only one-fourth the amount was paid; before six months, half; before nine months, three-fourths; only after that the whole. This was, of course, seldom told to the applicant. Now, the first six months they get half; after that the full amount; and this compulsory change the agents are given to understand should be harped on as a benevolent act on the companies' part.

The industrial application blank has about thirty questions, of which over half are red tape. Each and every one is made a part of the contract, and it is stated therein that should any of them be answered falsely the whole contract is void. This, however, is not so according to law, for the very fact that all companies send doctors to examine the applicants, shows that they do not depend upon the answers in the applications. But the companies continue to bully the poor, and especially the ignorant, policy holders into taking part payment on death claims whenever they can. When death occurs the company sends a special investigator to see if he cannot find some mistake, or prove some question in the application blank falsely answered so as not to pay, or at least to dicker down some of the money. Then again, they all have a neat little custom of lifting policies, that is, when they find that a certain policy holder is not in their estimation, even though the policy has been issued some time ago, a favorable risk, they simply steal the policy; they send an inspector or instruct the agent to get it, by hook or by crook, and then they sometimes pay back the premiums already collected, and more often they do not. But the policy never sees the light of day again.

Different companies have different days upon which

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to settle their accounts with the agents; that is, give them the gleanings called commission from the bursting harvest. A hobby all supers ride is to set a certain allotment per week for the quarters of the year and make every agent that falls below that allotment come and see him at his private office before settling. There the super is found caressing a yard square frown, and a talk somewhat like this follows:

"How long are you in this office? One year? Your record does not show too well." "Your arrears are much too high for your debit." "You'll have to do better than this to stay here." "You cannot get a position anywhere to pay you so well for such easy work. How much business have you for this week? Only 15 cents?"

If there is anything that gnaws the heart of an agent who still has any manhood about him, it is these visits and the super knows it; and that is just the reason he acts as he does.

One day the agents are told it is they that make the company; to them is due all credit; and on the next day they are told it is the company that is doing them a favor by letting them work for such good pay at such easy work, and they are reminded that the chances are they would be idle were it not for the kindness of the company.

It is not an unusual occurrence to see agents on settlement day chasing about asking other agents for a loan of a few dollars to be able to meet the amount called for by the account sheet.

There are few, very few collectors making enough to live on from industrial insurance only. They do something else besides, either real estate, fire insurance, music lessons, or something of that sort. Some play at dances and picnics, while some have little stores that their wives tend during the day. And the few who do not work at other side-trades seldom, no, never, find themselves with

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as much money as the account sheet shows them to have. The company has it so arranged that the excess is counted in with the agent's commission.

Some of the reasons why it has been hard for insurance agents to organize are that very few expect to make it their life's occupation. Most of them are there while preparing for other trades and professions as doctors, lawyers, pharmacists, etc.

The majority of them "hope to be out of it in a year or two," and the few who do choose it as a life's occupation are either too ignorant or too debased to care for organization.

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PART III.

Industrial life insurance is a false religion. Like all institutions of its kind it is based on trust and faith, and has its Trinity—the Metropolitan, the Prudential, and the John Hancock companies—three distinct bodies with but one spirit; their promises of reward may differ somewhat, but their goal is the same.

This religion has its heaven and its hell. The heaven is in the form of a few paltry dollars—after death, which to obtain you must keep on p(r)aying all your life. Its hell is that you are lapsed and lose all should you stop p(r)aying. It has its orthodox and its infidels, its martyrs (rather victims) and its missionaries, the agents. One of the last named it has been my misfortune to be, and it has taken several years to rid myself of that "honor." Nor will I ever be able to forget that I have helped mothers rob their baby's bank of its few pennies, when it contained some. I have taken away nickels and dimes earned by rheumatic women over the wash tub; nickels that should have bought bread or coal. I have taken these meagre scrapings from the old and the poor, earned in the sweat of their brows, and turned them over to parasites who bought automobiles, built palaces, bribed politicians, and guided the pen of newspaperdom. I cannot forgive myself despite the fact that my activities after all were legal, and come under the caption of "business."

The Metropolitan, with its Olympus at Twenty-third Street, New York City, is the Jupiter of the industrial insurance giants, and woe to any new organization which would dare to oppose or compete with it. With its

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mighty shafts of long accumulated power, money, it would lay the upstart low nor show the slightest sign of mercy. The last attempt that I know of was the Columbian National, about six years ago.

Like all religions, the insurance religion has been reared by its missionaries and apostles. There is not a company in existence to-day that could last even six months were it not for the agents representing it. One real smooth tongued agitator could in a short time create a havoc among the agents; and send a chill from the roof of the glossy stovepipe hat to the plundered high polished shoes of the insurance grafters even in the oldest and longest established company—a chill that would make them quite forget to elect a single safe one of these gentlemen for United States president, governor, or senator. The grafters are well aware of this fact, and proved it by the way they used every crooked method imaginable to keep the agents from organizing every time they attempted it.

Now let us see the real insurance apostle and how he does his work. A solicitor for industrial life insurance needs no other supplies than an indelible pencil, and the application blanks of the company he is to advertise; but the "wise" ones take along a few booklets containing miracles witnessed by the company's officials—in dreams, of course. Each miracle is followed by a joke or confession—that is, a testimonial. The companies issue these sacred little tracts, so they state on the cover page, for the sole benefit of the public. (Do you realize the benevolence?) Besides these, the companies often show their kindheartedness and philanthropy by supplying the canvassers with a handful of one of these articles; tape-measures, match-scratchers, thimbles, half a dozen cheap needles on a card, two or three bits of courtplaster, or blotters that really blot. Each of these great, priceless gifts bears the company's name stamped

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upon it, and is called a "door-opener." Around Christmas time they actually give away, absolutely free, clumsy, cheap-grade calendars, which the poor agents are forced to lug about until every customer is supplied. This little by-occupation makes the agent look and feel much like a certain pack animal whose name I will not mention.

The following will give a fair idea of an agent's argument. The same story with a few almost immaterial changes, will serve any and every one of the companies. The man that had already worked for one company, up to a few years ago, stood a triple chance in getting a job with one of the others. But of late they work hand in hand, and unless one leaves with a spotless record he will not be taken by any other of these money-grabbing concerns. They like the men that understand the bamboozling necessary for this game, and yet they do not like to have a man change positions and therefore, a man working for one of them cannot get a position with another till two full years have elapsed since his resigning in the one.

We will start with the Hancock. As bait we will use thimbles. Standing before a closed door with, say, half a dozen thimbles in one hand, one in the other, the agent knocks. Now listen: "Good morning, lady; I represent the ——" Bang goes the door, and thru the panel is heard: "I've had enough of you insurance peddlers."

Remember, this may be the fourth or fifth man who has received this same welcome, on this same morning, from this very same woman. But an agent must forget everything except that he is out for increase. The agent of experience remembers one other thing, and that is, that at a certain number on a business street, in a roomy, airy office with its clean walls and its floor with a soft rug, and one or two office boys to rush noiselessly at his every beck and call, sits a sleek, well-fed, well-dressed

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individual who will have little praise for him, the agent, no matter how well he may succeed. There is one motto which all superintendents learn. "It is the early bird that catches the worm." The word "worm" fits well in this case.

But back to the agent. He tries the next door, with the same preliminaries. The door is opened by a middle-aged woman, the "Good morning" is returned this time, while an inquiring look spreads over her face. "I represent The John Hancock Insurance Company of Boston, Massachusetts." Starts off the agent: "They are sending out special agents this week to distribute these souvenirs, among their customers, *free*, and you are on the list—What, you are *not* insured in the Hancock! How is that? Isn't your name Mrs. Smith? No? Well I beg your pardon, there must be some mistake somewhere. But did not any one of your family ever belong to our company and become lapsed? Your husband? Ah! there, I see; that's how it is! You see, Mrs. Jones, *our* company never forgets a policy holder, and we are always glad to have a lapsed member join again and give us a chance to make up for what they have already paid in. We have a new policy just out a week or so (A lie—the policy is really about six years old), and we'll give you this new contract at the same old rate! Yes, it must be because your husband was at one time insured with our company that this souvenir was sent you. Here, take this thimble, please; it costs you nothing!

"Are *you* insured now?" the agent runs on. "Every one in your family? How much insurance do you carry? What! only 60 cents a week on a family of four! My dear lady, I'm surprised! And the Prudential, at that! Now what did you say your name was? Mrs. Jones? Thank you. Did you say your husband was a truck driver? He is healthy, is he not? What do you pay

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a week for him? F-i-f-t-e-e-n cents! (This is drawn out in a slow surprised tone.) Do you mean to tell me that the head of your family, upon whom your *bread* and *butter* depends, is insured for so small a sum? And truck driving is such a risky job, too! You don't think so? Why, in my experience I find it so; I could give you many instances to prove my case. But really that is something strange. I have seldom come across such a case, and I am several years in the business."

A little chap sticks his head out between his mother's dress and the partly open door. He is homelier than sin, and has as much dirt on his countenance as is possible for one face to hold.

The agent spots the child and takes a fresh start. "What a nice little chap! About eleven years old isn't he? I thought so. This business makes a man become a pretty good judge! How old are you, Mrs. Jones? I should guess? Well— I should say about thirty-two. What! Forty-four! Well, I declare! Upon my word I have seen women of thirty look as old as you do now, and let me tell you right here, it is seldom, very seldom that I make a mistake.

"Is this little fellow insured? For five cents? All you can carry on a child his age is ten cents, you know; why not have him insured to the limit? All he gets now is \$120. Let me make out a policy for the other five cents. Why should he go on carrying only an infant's insurance? Really you will never miss the other five cents.

"You say you do not care to be insured in more than one company! My dear woman, you will find very few families nowadays insured in only one.

"Now, listen," continues the agent unctuously; "I'm one of our company's special representatives, and sent out to introduce our new policies into every home. I don't ask you for any money now; you do not have to pay

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me a single cent now. Wait till the policy comes down and you have read it over. (Not one out of a thousand ever reads a line in their contract. Woe to the companies if they did.) All I want is to acquaint you with the grand benefits of our contracts. You know all about them, you say? I beg your pardon; if so, how is it you are insured in a company where you must wait fifteen years for your dividends? We pay dividends every year after the first five years. How is that? Simply because our company is a 'mutual' insurance company incorporated under the laws of Massachusetts. The Prudential and Metropolitan are both 'stock' companies, run by a few private men. Now, I don't mean to run them down, but it is the laws you know. The John Hancock could not do what the others do even if it wanted to. If you only had one of our policies, I could show you that it reads plainly on the back of it that you, as a policy holder, even if it is for five cents only, have a right to go to Boston and vote for or against the laws of the company. And you can just bet the people vote for what is best for them. You can't do that in any other! That's why our company is so anxious to introduce our policies, just so as to educate the people to this important fact."

The woman does not relent yet, but the agent pursues the game. "You let me insure that little chap for just five cents," he begs. "I want you to know our company. I also would like to show the company the people know a good policy when they see it. It is just such things that make the companies, especially ours, improve their policies. Let me insure that boy. Children are so uncertain, you know. You never can tell what will happen next. I had a queer case about two weeks ago—no, it was only last week. I was trying to get a mother to insure her little girl, about as big as your boy here. But O, no, not just then; she wanted the

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insurance, but later on. I was there to-day. She wanted a ten cent policy, but the doctor should not call. But you may just bet I did not write it. You see, the child had caught a severe cold, and her doctor said the girl had pneumonia. You know our company is very particular, for it is the most prompt in making payments in case of death, and it wants to be sure that the party being insured is perfectly well at the time. Your boy is well, isn't he? No use talking if not. He has a slight cold, you say? Well, a little cold like that doesn't matter. Oh, yes, yes he looks to be a healthy youngster, but still you never can tell. That's why we have the doctor examine them—(a pause). Costs you nothing, you know."

By this time the victim, if an ordinary woman, is so rattled she doesn't know where she is at, and the agent must act quickly. Taking out his application blanks he proceeds:

"Now you will get your policy, just to examine, you know, in a week or so. What did you say the boy's first name was?" If the woman does not resist, and nine times out of ten she will let the name slip from her tongue unconsciously, the agent goes on filling out the red tape questions, and talking any old thing while doing so. And the less intelligent the statements are, the stronger their effect, it seems. If the woman refuses to sign, the dose is repeated with a few slight changes here and there. No matter how many times the woman should refuse, the better the agent, the less attention he pays to her demurrals, and goes on with his jabber. On the other hand if she signs, the agent's job is done, for that time at least. She is thanked and he tries the next door or floor as the case may be.

When the policy is brought to her, the chances are she refuses again, because her husband objected, or because after regaining her senses she thought the matter over

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and regretted her act. If the refusal be due to the husband, the good agent will try to see him some evening, and if the agent happens to be the right kind of a solicitor, and the man is an ordinary, unsophisticated human being, the agent will not only induce him to keep up the child's policy but he may also place higher insurance on the man's life as well.

Sometimes an agent will go so far as to have a person drop his old insurance and reinsure in the company he represents. In such cases he not only makes that poor ignorant person lose all he paid in previously, but actually go without full benefit insurance for six months. The companies claim that they do not tolerate such actions, but any one who knows them well, knows better, they enjoy it.

This dirty work is done generally by bringing out the many bad points in the other companies, and comparing them with the few good points in the company the agent solicits for.

Another fact to be borne in mind is that no agent will succeed unless he thoroughly understands the contracts of the rival companies as well as his own. If he is a man of ordinary intelligence he must learn these points as time goes on, if it be from no other source than from the continuous complaints coming from the different policy holders waking up under the company's knocks. The man who would write new business or even keep the business already written must know how to shatter the arguments of opposing solicitors.

The Hancock man's side of the dividend argument I have already shown. Now, suppose it is a Prudential man, and the prospective victim is insured in the Hancock. He'll speak thus:

"My dear lady, it is true the Hancock pays you on your dividends every year; but do you get it in cash? No! Of course not! It is put on your premium book. With

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us, I admit, you must wait fifteen years for your first dividends, and then you get them every five years; but can't you see our advantages? We pay you in cash; you get a nice little sum which comes in very handy." And so he goes on.

The Metropolitan man will give his arguments just as logically and reasonably till he gains his point. All this, of course, is supposing that the person talked to is considering the proposition, or is a believer in insurance, or is already insured, but "not in the right company." But suppose she is against insurance altogether, or has already tasted some of the bitter "sweets" of the game. Why, the agent is shocked by the report, and shows it, too. Then all at once he recalls the fact that he has come across a few cases in the last two months or so where they were against insurance, and would you believe it, since then they are regretting their delay! In one case the husband died, and now the family is starving; in another the wife is sick and is worrying her flesh away because she did not grasp with open arms the golden opportunity that knocked at her door (for her pennies); in a third, the child was run over by a trolley, if there is one on the street where the person being talked to lives; if not, it was a heavy truck. So sad are the stories, they are enough to frighten a person into committing suicide just to escape life's uncertainties and avoid the ever-gaping pitfalls that await the uninsured. There is a saying among the people that the insured die quick. To this I concocted a joky answer that used to work wonders. I would tell them that, on the contrary, the party that insured in our company was sure of a long life, for the officials would pray for them.

Of all instalment grafts, excepting the loan sharks, of course, the worst for the purchaser, and for the solicitor, and the best for the firm, is industrial insurance. The purchasers get nothing which they can enjoy while

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alive, nor do they ever live to see the end of their payments; in other words they receive nothing tangible. The salesman in any other line, drums up a certain number of customers which in the long run makes him independent. If he should decide to change firms, he can take with him, if not all, at least a majority of the customers he has been serving, and that, without any loss to them. But this is impossible in the insurance. For a policy holder to change means a grave loss to him; and the company, and the agent know this, and this fact makes the company independent. And that is why it treats its employees with such impunity. And that is why an agent is ever so dependent; for even if he works ten years for a company he is no better off than he was at the very beginning. But the H. O. IT is the only ex-orbitant gainer, the gainer all way round.

There is but one remedy, for this tremendous extortion of the poor, and that is GOVERNMENT INSURANCE. There is, however, little chance of the government undertaking this, for it would mean competing with a private enterprise, and the government to-day is under great obligation to "our" private enterprises. And part of this government has some fingers in the insurance pie. And, like Carnegie, "our" government hates to die rich. But government insurance could be furnished at about half the present cost and still result in a fair profit to the furnishers. One of the first essential changes would be to make the Home Office less of a family affair. Many of the snap jobs would be done away with. At present, when some scion of the family, at the head of the company, is found utterly useless, a fat position is created for him at the H. O., and the policy holders are made to pay his salary.

As a conclusion, I think this little story appropriate: A Russian peasant came to a money-lender to borrow two dollars. "Gladly," said the lender; "but you must

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give me your fur coat as security, and, besides that, I want one dollar interest for the use of my money." "Agreed," said the peasant. So the money-lender put away the coat and took two dollars from the till, and said, "Here you are, Ivan; but I deduct one dollar interest, and will take one dollar on account, and as soon as you return the other dollar you owe me you can have the coat." "Wonderful," remarked the peasant. "He has loaned me the money alright, still I have nothing besides owing him a dollar before I can get my coat back."

Such are the wonderful benefits the industrial insurance companies render the agents and policy holders.

THE END.

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